

Insurance committee April 25th 2013 hearing testimony (typed 35 copies for committee)

Michigan House of Representatives

Insurance Committee Hearing April 2013

Representative and Committee Member

Regarding Bill # 4612 **I am opposed.**

Ladies and Gentlemen my name is John Gwynne Prosser II and I am the Vice President / Partner at Health Partners Homecare. For the past 20 years I have been a job creator (500 field staff) and I have been providing in home nursing services for Michigan Citizens who suffer brain and or spinal cord injuries. In my role I have spoken with Physicians, Case Managers, Attorney's, insurance company adjusters, and hundreds of injured people and their families. I have seen firsthand how our unique auto no fault model benefits everyone.

I would like you to imagine a day when the weather is beautiful and you are in a positive frame of mind, and you hold positive expectancy for your future and you are listening to music that you love and that you are driving to our State Capitol for a very important day of Legislating when suddenly the 16 wheel truck 4 vehicles in front of you swerves both ways and flips over starting a chain reaction which takes 1.2 seconds and results in you slamming into that truck and the cars in front of you. You awaken at the hospital not remembering the air lift ambulance ride, where you feel the absolute horror of realizing you have tubes stuffed down your throat and there is a group of people roughly the size of a MASH unit giving you too much attention. At that moment one of the Physicians in the group touches your arm gently and squeezes gently, he then tells you that your injuries include paralysis and that you will never walk again, he is sorry for your loss. He also informs you that your Son who you were going drop off at his friend's house for a field trip also suffered severe injuries including a massive brain injury. The overwhelming significance of this emergent reality and all of its implications is staggering emotionally. What will happen to you and your Son? How many surgeries will you require to attempt to repair your fractured spine, your broken femur, patella, tibia and fibula, clavicle, ribs and hands? You ask yourself how many surgeries my Son will require. Will my Son come out of the Coma? How will my bills be paid, my family is dependent upon me? What is my future? Does my health insurance policy cover all of my costs? Will I go bankrupt from my medical bills? Will you ever work again? Where are my wife and 3 daughters? Do they know that I have been injured? You are so fatigued by your injuries, the drugs, and this stream of consciousness that you pray to God for relief and peace, and then pass out.

Imagine it was you, what would you need? Would you want? Would you want to live at home with your family? In Michigan currently you can, in every other state after bankruptcy due to medical bills, you go to a nursing home because Medicaid does not provide in home nursing care like Michigan auto no fault does.

Sadly every year hundreds of drivers and passengers, real people like you, suffer catastrophic injuries.

In the early 1970's when the Michigan Legislature led by Governor Milliken contemplated this reality they sought to create a model for insurance (**risk management to avoid bankruptcy**) that satisfied the number one priority which is comprehensive timely resources for the care, recovery and rehabilitation of injuries sustained in automobile accidents. The Michigan model for auto no-fault is designed to serve the complex needs of injured Citizens and it represents what the insurance institute calls "The finest Model in America" The Legislature in 1972 understood that many catastrophically injured Citizens would require immediate care and often times for the rest of their life and therefore a model would be created which provide for those needs. At the same time this change was a great blessing to insurance companies who saved the 35 cents of every dollar of premium that they were spending on litigation under the tort model. The insurance companies and healthcare providers were happy with what the legislation did and Citizens were being served by a model funded by drivers for drivers.

Given that this model has worked favorably as planned for 40 years and that there is no evidence of unsustainability as asserted by proponents of this legislation **I am opposed to HB 4612.**

I believe this bill is bad public policy and that it is morally wrong because it is based on a prevarication.

I believe the insurance companies are putting everyone in harm's way via this proposal and that the insurance companies simply want to warehouse injured people. I believe this HB 4612 is based solely on greed.

Please preserve, protect and strengthen auto no fault, it will mean everything to you if it happened to you or your loved ones. Or you could go back to tort and go bankrupt waiting to get qualified for Medicaid and waiting to get medical care. What a nightmare.

Consider that the Harvard Medical School study on bankruptcy indicates that the number one reason is medical bills. Nationally brain injuries from auto accidents are a silent epidemic (500,000 annually according to the BIA) as are Spinal Cord Injuries (50,000 according to the national highway safety administration) the costs of these injuries are considerable and in all other states than Michigan those poor souls go bankrupt (the whole family goes bankrupt), they then fall economically onto Medicaid rolls which are **breaking State budgets nationwide.**

This bill proposes to dismantle the finest model in America based on prevarications with no transparency, no integrity, no honesty, certainly no evidence.

The lawyer for the insurance companies told Judge Canady in the CPAN vs. MCCA lawsuit, that **"your honor, insurance companies are concerned if they turned over the data from the MCCA that CPAN would give the data to Legislators and make the information a political issue"**. Remarkably they are the progenitors of these horrible public policy proposals and then they prevaricate to the Judge as if they are innocent. The insurance companies operate with secrecy and contempt for citizens just like Bernie Madoff (former chairman of the NASDAQ stock exchange) do not be fooled, insurance companies aim to fool you. Ask yourself who are the insurance companies who want this change? Who are the executives? Will they come and testify about their management of the 15 Billion Dollars of drivers cash

in the MCCA? If not why not, what are they hiding? If they will not come and testify I suggest to you that they are hiding much.

Can Michigan really afford push injured people into bankruptcy and then add a cost shift of 30 Million + annually and progressively (300 Million+ over 10yrs) onto Medicaid just for very profitable insurance companies?

Do we want to kill 10,000 Oakland County jobs in the number one growth category for Michigan for the next 20 years? Ask Oakland County Executive L. Brooks Patterson what he thinks; read his open letter where he describes the benefits of auto no fault in his community. Ask Oakland University and Beaumont and Henry Ford Hospitals.

Do we want to increase taxes for Medicaid, or impose selective governmental regulatory controls on healthcare providers?

Michigan is a national leader in serving these injured citizens and we should be exporting this Model to every other State. We should be proud of our unique depth of experience in rehabilitative therapies that injured people need persistently and aggressively in order for people to achieve some quality of life. We are recognized by the Pentagon as a national leader in serving veterans who are injured.

Insurance companies have said no other states are interested in the Michigan Model, yet in fact Florida does have an interest in our Model. Visit www.neurotraumaassociation.com and view the letter from Governor Scott / Thom Delilla to me. Please read the attached letter which I gave to Speaker Bolger in 2011.

Governor Scott is interested in arresting bankruptcy due to medical bills, saving billions in Medicaid costs (The Florida department of health estimates 40% of the 25 Billion they spend on Medicaid is auto injury related), creating tens of thousands of new jobs and providing comprehensive resources for injured Citizens. Florida is a no fault state and the same insurance companies are selling a policy which is \$250.00 more per year on average than Michigan, but they only sell drivers \$10,000.00 of PIP personal injury protection, medical benefits. Why are insurance companies allowed to do this? As a result of this horrible public policy injured people are warehoused in nursing homes.

When you eliminate the outliers like Detroit, our cost of insurance is in the middle of the national average. Michigan is the only state with real valuable benefits, funded by drivers for drivers. Why do all other states allow the same insurance companies to sell such vastly inferior policies for about the same cost? Even though as a result it costs them billions in Medicaid costs? The answer is, because they do not know any better. That is why I wrote a book about the Michigan Model for no fault automobile insurance, in order to share with the other states, that there is a better way. And I have produced a video about bankruptcy.

The Educated Consumers Guide to No-Fault Automobile Insurance www.authorhouse.com

The Solution for brain injuries and bankruptcies (Video) www.neurotraumaassociation.com

Please contact me if I can answer any questions for you.

Thank you.

John Gwynne Prosser II

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Rick Scott
Governor

March 11, 2011

Mr. John G. Prosser, II
President
Neuro Trauma Association of Florida
691 North Squirrel Road, Suite 105
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Dear Mr. Prosser:

Thank you for your letter of January 4, 2011. Governor Scott's office forwarded it to the Department of Health for our review and response. The state of Florida and the department have long recognized the acute and long-term needs of individuals who have sustained traumatic brain and/or spinal cord injuries. The state has been recognized as a national model in the development of a statewide coordinated system of services and supports for these individuals. We were the first state in the nation to have a legislatively-mandated trust fund to assist individuals in obtaining critical and essential services necessary to reintegrate them back into the community. The Brain and Spinal Cord Injury Program Trust Fund is also used to provide state match for the TBI/SCI Home and Community-Based Medicaid Waiver Program which provides long-term supports to enable individuals to sustain themselves in their communities.

Although the statewide network of case managers effectively identifies and utilizes all federal, state and community resources, it is not sufficient to address the acute and long-term needs of all individuals who have sustained severe catastrophic injuries. The Brain and Spinal Cord Injury Program is very interested in identifying and exploring other successful funding options utilized in other states including Michigan.

We would appreciate your assistance in providing us with the name and contact information for the individual responsible for the administration of the Michigan Catastrophic Claims Association (MCCA) Fund. We are particularly interested in how the MCCA was created, the numbers of individuals currently being served, and the average number of new individuals who apply each year, the average cost per client, the services provided, and how services are coordinated. We are also interested in the cost savings to the state Medicaid program and how this fund may have reduced insurance premiums. We would like to obtain an executive summary or annual report including the activities, outcomes and successes of the program.

The Brain and Spinal Cord Injury Program would be interested in coordinating a meeting with individuals within key agencies and programs within Florida state government to meet with a representative from the MCCA. Your assistance in helping us identify this individual would be greatly appreciated.

Mr. John G. Prosser, II
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We appreciate your desire to assist the state of Florida to identify viable funding solutions to address the needs of individuals who have sustained catastrophic injuries. We commend the state of Michigan for its recognition of the issue and its commitment to implement an innovative solution to address this need. We look forward to hearing from you. Please contact me directly at (850) 245-4045.

Sincerely,

A handwritten signature in black ink, appearing to read "Thom DeLilla", written over a large, stylized, loopy flourish that extends to the left.

Thom DeLilla
Bureau Chief
Brain and Spinal Cord Injury Program